

EXHIBIT 6-D

Contractor Payroll Instructions for Completing Weekly Payroll Reports Using Payroll Form WH-347

<http://www.dol.gov/esa/forms/whd/wh347.pdf>

<http://www.dol.gov/esa/forms/whd/wh347instr.htm>

<http://manuals.dot.state.tx.us/docs/colconst/forms/WH-348.doc>

(example and instruction are on the following pages)

Instructions For Completing Payroll Form, WH-347

<http://www.dol.gov/esa/forms/whd/wh347instr.htm>

General: The use of the WH-347 payroll form is not mandatory. This form has been made available for the convenience of contractors and subcontractors required by their Federal or Federally-aided construction-type contracts and subcontracts to submit weekly payrolls. Properly filled out, this form will satisfy the requirements of Regulations, Parts 3 and 5 (29 CFR, Subtitle A), as to payrolls submitted in connection with contracts subject to the Davis-Bacon and related Acts.

This form meets needs resulting from the amendment of Davis-Bacon Act to include fringe benefits provisions. Under this amended law, the contractor is required to pay not less than fringe benefits as predetermined by the Department of Labor, in addition to payment of not less than the predetermined rates. The contractor's obligation to pay fringe benefits may be met either by payment of the fringes to the various plans, funds or programs or by making these payments to the employees as cash in lieu of fringes.

This payroll provides for the contractor's showing on the face of the payroll all monies to the employees, whether as basic rates or as cash in lieu of fringes and provides for the contractor's representation in the statement of compliance on the rear of the payroll that he is paying to other fringes required by the contract and not paid as cash in lieu of fringes. Detailed instructions concerning the preparation of the payroll follow:

Contractor or Subcontractor: Fill in your firm's name and check appropriate box.

Address: Fill in your firm's address.

Column 1 - Name, Address, and Social Security number of Employee: The employee's full name must be shown on each weekly payroll submitted. The employee's address must also be shown on the payroll covering the first week in which the employee works on the project. The address need not be shown on subsequent weekly payrolls unless his address changes. Although not required by Regulations, Parts 3 and 5, space is available in the name and address section so that Social Security numbers may be listed.

Column 2 - Withholding Exemptions: This column is merely inserted for the employer's convenience and is not a requirement of Regulations, Part 3 and 5.

Column 3 - Work Classifications: List classification descriptive of work actually performed by employees. Consult classification and minimum wage schedule set forth in contract specifications. If additional classifications are deemed necessary, see Contracting Officer or Agency representative. Employee may be shown as having worked in more than one classification provided accurate breakdown or hours so worked is maintained and shown on submitted payroll by use of separate entries.

Column 4 - Hours worked: On all contracts subject to the Contract Work Hours Standard Act enter as overtime hours worked in excess of 8 hours per day and 40 hours a week.

Column 5 - Total: Self-explanatory

Column 6 - Rate of Pay, including Fringe Benefits: In straight time box, list actual hourly rate paid the employee for straight time worked plus in cash in lieu of fringes paid the employee. When recording the straight time hourly rate, any cash paid in lieu of fringes may be shown separately from the basic rate, thus \$3.25/.40. This is of assistance in correctly computing overtime. See "Fringe Benefits" below. In overtime box shown overtime hourly rate paid, plus any cash in lieu of fringes paid the employee. See "Fringe Benefits" below. Payment of not less than time and one-half the basic or regular rate paid is required for overtime under the Contract Work Hours Standard Act of 1962. In addition to paying no less than the predetermined rate for the classification which the employee works, the contractor shall pay to approved plans, funds or programs or shall pay as cash in lieu of fringes amounts predetermined as fringe benefits in the wage decision made part of the contract. See "FRINGE BENEFITS" below.

FRINGE BENEFITS - Contractors who pay all required fringe benefits: A contractor who pays fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of labor shall continue to show on the face of the payroll the basic cash hourly rate and overtime rate paid to his employees just as he has always done. Such a contractor shall check paragraph 4(a) of the statement on the reverse of the payroll to indicate that he is also paying to approved plans, funds or programs not less than the amount predetermined as fringe benefits for each craft. Any exceptions shall be noted in section 4(c).

Contractors who pay no fringe benefits: A contractor who pays no fringe benefits shall pay to the employee, and insert in the straight time hourly rate column of the payroll, an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the applicable wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringes, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on basic or regular rate, plus the required cash in lieu of fringes at the straight time rate. In addition, the contractor shall check paragraph 4(b) of the statement on the reverse of the payroll to indicate that he is paying fringe benefits in cash directly to his employees. Any exceptions shall be noted in Section 4(c).

Use of Section 4(c), Exceptions

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obliged to pay the deficiency directly to the employees as cash in lieu of fringes. Any exceptions to Section 4(a) or 4(b), whichever the contractor may check, shall be entered in section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid the employee as cash in

lieu of fringes and the hourly amount paid to plans, funds, or programs as fringes. The contractor shall pay, and shall show that he is paying to each such employee for all hours (unless otherwise provided by applicable determination) worked on Federal or Federally assisted project an amount not less than the predetermined rate plus cash in lieu of fringes as shown in Section 4(c). The rate paid and amount of cash paid in lieu of fringe benefits per hour should be entered in column 6 on the payroll. See paragraph on "Contractors who pay no fringe benefits" for computation of overtime rate.

Column 7 - Gross Amount Earned: Enter gross amount earned on this project. If part of the employees' weekly wage was earned on projects other than the project described on this payroll, enter in column 7 first the amount earned on the Federal or Federally assisted project and then the gross amount earned during the week on all projects, thus \$63.00/\$120.00.

Column 8 - Deductions: Five columns are provided for showing deductions made. If more than five deduction should be involved, use first 4 columns; show the balance deductions under "Other" column; show actual total under "Total Deductions" column; and in the attachment to the payroll describe the deduction contained in the "Other" column. All deductions must be in accordance with the provisions of the Copeland Act Regulations, 29 CFR, Part 3. If the employee worked on other jobs in addition to this project, show actual deductions from his weekly gross wage, but indicate that deductions are based on his gross wages.

Column 9 - Net Wages Paid for Week: Self-explanatory

Totals - Space has been left at the bottom of the columns so that totals may be shown if the contractor so desires.

Statement Required by Regulations, Parts 3 and 5: While this form need not be notarized, the statement on the back of the payroll is subject to the penalties provided by 18 USC 1001, namely, possible imprisonment of 5 years or \$10,000.00 fine or both. Accordingly, the party signing this statement should have knowledge of the facts represented as true.

Space has been provided between item (1) and (2) of the statement for describing any deductions made. If all deductions made are adequately described in the "Deductions" column above, state "See Deductions column in this payroll." See paragraph entitled "FRINGE BENEFITS" above for instructions concerning filling out paragraph 4 of the statement.

ADDITIONAL INSTRUCTIONS TO CONTRACTORS FOR PREPARATION OF PAYROLL FORM WH-347

1. Make certain all items in the heading are completed, including payroll number and project number. Also review reverse side of form to make certain proper block is checked and signature is affixed.
2. Include the name, address, and social security number of each employee the first time such employee is listed on a payroll report.
3. For equipment operators and truck drivers, include a brief but clear description of the equipment the employee is operating. (This is to be shown on each payroll report.)
4. Show the hours and wages actually worked on the project separate from the employees total wages for the week. To illustrate: "John Doe" on this example worked on the project 18 hours and on other projects for the same contractor 22 hours. ($18 \times 6.45 = \$116.10$ earned this project, \$239.30 gross amount earned all projects.)
5. When fringe benefits are sent to an approved program, they need not be included in the rate of pay. (See Example.) Cement Mason, John Johnson receives \$5.90 per hour, an additional \$0.66 is being sent to approved plan which is indicated by marking box (a) of paragraph (4) on the Statement of compliance. Cement Mason, Bill Thomas receives the required fringe benefits in cash. The total rate of pay shown must be equal to the wage rate for that classification plus fringe benefits.. \$5.90 (wage rate) plus \$0.66 (fringe) = \$6.56 and is indicated by marking box (b) of paragraph (4).
6. When an individual performs work on the project in more than one classification within the same workweek, have that individual sign the payroll report or submit a copy of his time card with the payroll report, if a lower rate of pay per hour is applicable.
7. When a valid subcontractor works with his employees on the job, he will be listed with his employees on each payroll. However, he need only show his name as owner. (See Example: Harry Jamison (Owner).) If the subcontractor has no employees and performs alone on the project, he will submit weekly payrolls showing daily and total hours worked. When two or more working owners/operators (partners, co-owners, corporation officers, etc.) perform work on the project they must show daily and total hours worked. (Always show exact work classification.)

8. Submit an apprenticeship certification with the payroll report on which the apprentice is first reported. Indicate what step of apprenticeship and percentage of the journeyman wage he is receiving. (See Example.)
9. It is the General Contractor's responsibility to submit correct payrolls. The General Contractor should therefore compare the wage rate shown on each Subcontractor's payroll with the required rate shown on the wage determination for this project. If there are underpayments, restitution should be required and the payroll report corrected prior to submitting it to the Contracting Agency.
10. Payroll Form: Contractors are urged to use the Department of Labor (DOL) Form WH-347, Payroll. The text of the Weekly Statement with Respect to the Payment of Wages, which is required by regulations of the Secretary of Labor, appears on the reverse side of this optional payroll form. A contractor may use an appropriate payroll form of his own choice, but he must report all required items of information and he must attach a copy of the "weekly statement", using either DOL Form WH-348, Statement of Compliance, which contains the "weekly statement" and related instructions, or any form containing the "weekly statement" in the identical wording as contained in Forms WH-347 and WH-348.
11. In the event any contractor sees he will be employing a trade for which a wage is not listed on the wage determination, it should be brought immediately to the attention of the Contracting Agency so that a wage rate determination for that trade can be made at the earliest possible date. A HUD Form 4230A should be completed, so that a rate can be established. (See Example.)
12. Submission of Payrolls: Each contractor or subcontractor shall submit to the Contracting Agency a completed payroll for each week during the project. All payrolls are to be sequentially numbered, and final payrolls shall be identified accordingly.
13. Payrolls may be completed in dark lead #2 pencil, in pen or typed, but they must be legible. If typed, the contractor can make a "master" listing each employee address, city, state, zip code and social security number. The contractor then reproduces from the "master" a payroll for each week ensuring that each week of work is numbered sequentially. For those employees who did not work, the contractor draws a line through the entry by their names and writes "no work".

By using a "master" the column headings would already be completed except for the week ending column and the date and days worked and the payroll # space.

- a. Payrolls must be signed in ink. Local officials will not accept payrolls signed in pencil or illegible payrolls that are difficult to read.

- b. Payroll authorization forms must be completed for anyone signing and certifying accuracy of payrolls who is not an owner or officer of the company. Local officials cannot accept payrolls signed by an unauthorized person.
- c. Daily hours, total hours, basic rates, overtime rates and gross amounts earned on a TSEP job must be shown separately from work performed on other jobs. The contractor can "circle" hours and amounts earned on the TSEP job. Indicate work on the TSEP job by stating on the bottom of the first payroll that "circled hours represent hours worked on TSEP job."

The gross and net amounts, in any case, must represent the check amount. In other words, if the contractor is paying by check for work performed on the TSEP job--then it is not necessary to provide information about other work--but the check received by the employee must coincide with certified payrolls submitted to local officials.

- d. Deductions must be identified; the contractor must specify what each deduction is for. The contractor cannot lump-sum deductions under "other". Local officials must ensure deductions are "authorized" such as Insurance, Vacation, Health Benefits etc. For other deductions such as "Union Dues" -- Credit Union -- Monetary advances and purchase of tools and deductions probated by the Courts, the contractor must provide employee authorization statements (a statement from each employee authorizing the deduction to be made for a specific purpose).
- e. Overtime: Overtime is earned at one and one-half times the basic hourly rate for each hour in excess of forty (40) hours in each week, and must be paid accordingly ($BHR \times 1.5 = O/T \text{ Rate}$); Zone hourly rate is added to the basic rate when computing the basic hourly rate, but fringe benefits is not included.
- f. Fringe Benefits: Fringe benefits must be paid for each hour worked. If an employee works forty-four (44) hours, he must be paid the fringe benefits shown in the wage determination for 44 hours, either cash, or to an approved plan or trust.
- g. Computerized Payroll Forms: These are acceptable, but must contain the same information currently required by the Form WH-347 and/or WH-348. A completed WH-348 (Statement of Compliance) can be attached to the Computerized Payroll Form.

PERMISSIBLE PAYROLL DEDUCTIONS

The following payroll deductions may be made without requesting approval:

- a) Any deductions made in compliance with the requirements of Federal or State law.

Examples: Federal withholding taxes
 State withholding taxes
 Federal Social Security taxes

- b) Any deductions of sums previously paid to the employee as a bona fide repayment of wages when prepayment is made without discount or interest.

Example: A "bona fide prepayment of wages" is considered to have been made only when cash or its equivalent has been advanced to the person employed in such manner as to give him complete freedom of disposition of advanced funds.

- c) Any deduction of amounts required by court process to be paid to another, unless the deduction is in favor of. . .

The contractor
The subcontractor
Any affiliated person
OR
When collusion or collaboration exists

- d) Any deduction constituting a contribution on behalf of the person employed to funds established by the employer, or representatives of the employer, or both for the purpose of providing (from principal, or income, or both). . .

Medical or hospital care
Pensions or annuities on retirement
Death benefits
Compensation for injuries, illness, accidents, sickness or disability
OR
For insurance for any of the foregoing
OR
Unemployment benefits
Vacation pay
Savings accounts